

# **Exhibit 54**



**Department of Justice**

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## **Ericsson to Plead Guilty and Pay Over \$206M Following Breach of 2019 FCPA Deferred Prosecution Agreement**

Telefonaktiebolaget LM Ericsson (Ericsson), a multinational telecommunications company headquartered in Stockholm, Sweden, has agreed to plead guilty and pay a criminal penalty of more than \$206 million after breaching a 2019 Deferred Prosecution Agreement (DPA).

Ericsson breached the DPA by violating the agreement's cooperation and disclosure provisions. Based on the same underlying criminal conduct that gave rise to the DPA, Ericsson will plead guilty to engaging in a long-running scheme to violate the Foreign Corrupt Practices Act (FCPA) by paying bribes, falsifying books and records, and failing to implement reasonable internal accounting controls in multiple countries around the world.

"When the department afforded Ericsson the opportunity to enter into a DPA to resolve an investigation into serious FCPA violations, the company agreed to comply with all provisions of that agreement," said Assistant Attorney General Kenneth A. Polite, Jr. of the Justice Department's Criminal Division. "Instead of honoring that commitment, Ericsson repeatedly failed to fully cooperate and failed to disclose evidence and allegations of misconduct in breach of the agreement. As a result of these broken promises, Ericsson must plead guilty to two criminal offenses and pay an additional fine. Companies should be on notice that we will closely scrutinize their compliance with all terms of corporate resolution agreements and that there will be serious consequences for those that fail to honor their commitments."

According to court documents, beginning in 2000 and continuing until 2016, Ericsson used third-party agents and consultants to make bribe payments to government officials and to manage off-the-books slush funds in Djibouti, China, Vietnam, Indonesia, and Kuwait. These agents were often engaged through sham contracts and paid pursuant to false invoices, and the payments to them were improperly accounted for in Ericsson's books and records. In 2019, Ericsson resolved this criminal conduct by entering a DPA with the department in connection with a two-count criminal information filed in the Southern District of New York. As part of the DPA, Ericsson paid a total criminal penalty of over \$520 million and agreed to the imposition of an independent compliance monitor for three years. An Ericsson subsidiary, Ericsson Egypt Ltd, also pleaded guilty to a one-count criminal information charging conspiracy to violate the anti-bribery provisions of the FCPA.

Following the 2019 resolution, Ericsson breached the DPA by failing to truthfully disclose all factual information and evidence related to the Djibouti scheme, the China scheme, and other potential violations of the FCPA's anti-bribery or accounting provisions. Ericsson also failed to promptly report and disclose evidence and allegations of conduct related to its business activities in Iraq that may constitute a violation of the FCPA. These disclosure failures prevented the United States from bringing charges against certain individuals and taking key investigative steps.

"Ericsson engaged in significant FCPA violations and made an agreement with the Department of Justice to clean up its act," said U.S. Attorney Damian Williams for the Southern District of New York. "The company's breach of its obligations under the DPA indicate that Ericsson did not learn its lesson, and it is now facing a steep price for its continued missteps. As Ericsson's anticipated guilty plea makes abundantly clear, the Southern District of New York will hold to

account companies that fail to live up to obligations to root out and voluntarily report their misconduct to the Department of Justice.”

“Today’s more than \$200 million criminal penalty against Ericsson underscores the significant consequences that result when a DPA is breached,” said Chief James C. Lee of the IRS Criminal Investigation (IRS-CI). “Ericsson’s multiple cooperation and disclosure failures led to this breach, resulting in the company having to plead guilty and pay additional penalties.”

Under the terms of the plea agreement, which must be accepted by the court, Ericsson agreed to plead guilty to the original charges deferred by the 2019 DPA: one count of conspiracy to violate the anti-bribery provisions of the FCPA and one count of conspiracy to violate the internal controls and books and records provisions of the FCPA. Ericsson will also be required to serve a term of probation through June 2024 and has agreed to a one-year extension of the independent compliance monitor. The plea agreement also requires Ericsson to pay an additional criminal penalty of \$206,728,848 – which includes the elimination of any cooperation credit originally awarded pursuant to the DPA.

The IRS-CI investigated the case.

Trial Attorney Michael Culhane Harper of the Criminal Division’s Fraud Section and Assistant U.S. Attorneys David Abramowicz and Juliana Murray for the Southern District of New York are prosecuting the case.

The Fraud Section is responsible for investigating and prosecuting FCPA matters. Additional information about the Justice Department’s FCPA enforcement efforts can be found at [www.justice.gov/criminal/fraud/fcpa](https://www.justice.gov/criminal/fraud/fcpa).

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